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Transition in Progress

A corporate plan is not just a reporting tool, but a stepping stone for change. With a new mission, vision, and values to guide our priorities and goals, 2007 will be a year of transition.

WORKERS' COMPENSATION BOARD
Northwest Territories and Nunavut

Mission, Vision, Values

The mission, vision, and values are the foundation of the Workers' Compensation Board of the Northwest Territories and Nunavut. They provide a framework for the strategic priorities and goals developed by the Governance Council, and guide each employee's daily activities and actions.

Mission

To promote workplace safety and care for injured workers.

Vision

To be recognized as a caring, efficient, and service-focused organization and a model and trusted partner in workplace safety.

Values

Concern for People

- We demonstrate care and compassion in responding to our clients' needs and to the communities we serve.
- When working with our clients, partners, other stakeholders, and each other, we do so with honesty, fairness, respect, sensitivity, and timeliness, proactively and consistently.

Collaboration & Engagement

- We work with our partners to achieve mutually beneficial outcomes.

Integrity

- We honour the commitments we make to our clients, our partners, other stakeholders, and each other.
- We lead the adoption of and model the workplace safety standards that we promote with employers and workers.

Transparency & Openness

- We will be clear to our clients about how decisions are made and the reasons for those decisions.

transition in progress

FORWARD

The Workers' Compensation Board (WCB) of the Northwest Territories and Nunavut produces and publishes the Corporate Plan as a matter of record, pursuant to section 91(1) of the Financial Administration Acts of both territories. The 2007 Corporate Plan, which also contains the WCB's 2007 Operations and capital budgets, is submitted to the Ministers responsible for approval, thereby meeting the requirement of sections 92 and 93 of the Financial Administration Acts.

The Corporate Plan sets out the WCB's business activities for the current year. It highlights the priorities and goals of the WCB, as set out by the Governance Council, and the strategies WCB Operations will execute to achieve these goals. The Corporate Plan is developed in correlation with the WCB's Annual Report – the Corporate Plan looks forward while the Annual Report responds to the objectives outlined in the Corporate Plan.

FROM THE OFFICE OF THE CHAIRPERSON

As Governance Council Chairperson for the Workers' Compensation Board of the Northwest Territories and Nunavut, I am pleased to have the chance to reflect on the accomplishments of the past year.

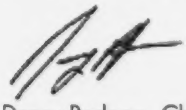
The Auditor General's Performance Audit Report on the WCB highlighted the need for more transparent and open communication with stakeholders, and encouraged stakeholder input into policy development and the WCB's goals and objectives. We have readily accepted these recommendations, and as a result, the Governance Council has been working toward promoting greater transparency and accountability as reflected in our 2007 priorities, goals, and initiatives.

Our 2006 public meetings were well attended on both sides of the North. I hope this is reflective of the Governance Council's commitment to fostering improved relations and communication between our organization and employers, workers, and stakeholders in both the Northwest Territories and Nunavut. 2007 will see expanded opportunities for stakeholder consultation.

In November 2006, the Governance Council approved a new mission and vision, as well as new values statements. It is time they reflect the changing workplace and address our increasing focus on workplace safety and injury prevention. This is just one of many steps we are taking to ensure our goals and priorities are met at every level within our organization.

Through strong stewardship of employers' money and sound investment returns, we were able to reduce the average assessment rate in 2007. It is a great accomplishment to announce that not one Northern employer will see an increase in assessment rates this year.

The WCB continues to be committed to advancing the standards of workplace safety cultures and maintaining fair benefits. Let's look to the future, accept new challenges, and continue our progression toward being a leader in innovative workplace practices.



Denny Rodgers, Chairperson
Workers' Compensation Board of the Northwest Territories and Nunavut

FROM THE OFFICE OF THE ACTING PRESIDENT

My time as Acting President and CEO has provided me with a great opportunity to see the potential of this organization and the sincere dedication of each employee.

The Workers' Compensation Board of the Northwest Territories and Nunavut has taken the recent findings of the Auditor General's (OAG) Performance Audit Report as a learning experience. The report has given our organization the means to reflect on ways to improve and grow, and I am confident stakeholders will be satisfied with the actions taken to address the OAG's recommendations.

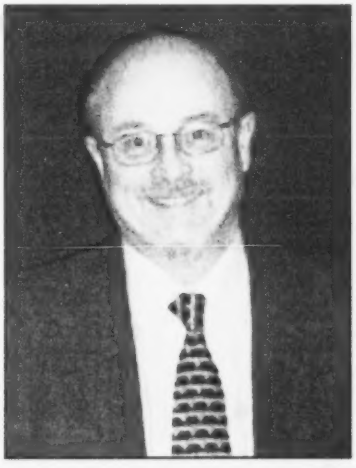
Our social marketing campaign is just one way in which we are trying to change the way our community views workplace safety. Workplace injuries and deaths are unjustifiable, and by connecting with Northern workers we can ensure this message is shared. Like other boards across the country, we continue to push for increased safety and prevention awareness.

The Go Safe Program is another example of our continued commitment to creating a safety culture in the workplace. It is a means of encouraging employers and workers to take full advantage of the safety support that we, as an organization, offer. We work with employers, cooperatively, with one goal in mind: safety.

I am pleased to say that our assessment rates continue to be among the lowest in the country, while our benefits are among the best. We plan to maintain this trend with the finalization of the Safe Advantage Program in 2007. The implementation of this program of financial rewards and penalties based on safety records will follow in 2008.

In closing, I congratulate our team. The success of our organization is reflected in the development of our safety initiatives and goal of changing the workplace safety culture. I know we can do it, and I look forward to working with you every step of the way.

John Doyle, Acting President
Workers' Compensation Board of the Northwest Territories and Nunavut



GOVERNANCE COUNCIL

The Governance Council operates in a manner consistent with the Workers' Compensation Acts and Corporate Governance Directives. It is the Council's responsibility to oversee the conduct of business and management, while maintaining the credibility and vitality of the Workers' Compensation Board as a corporation.

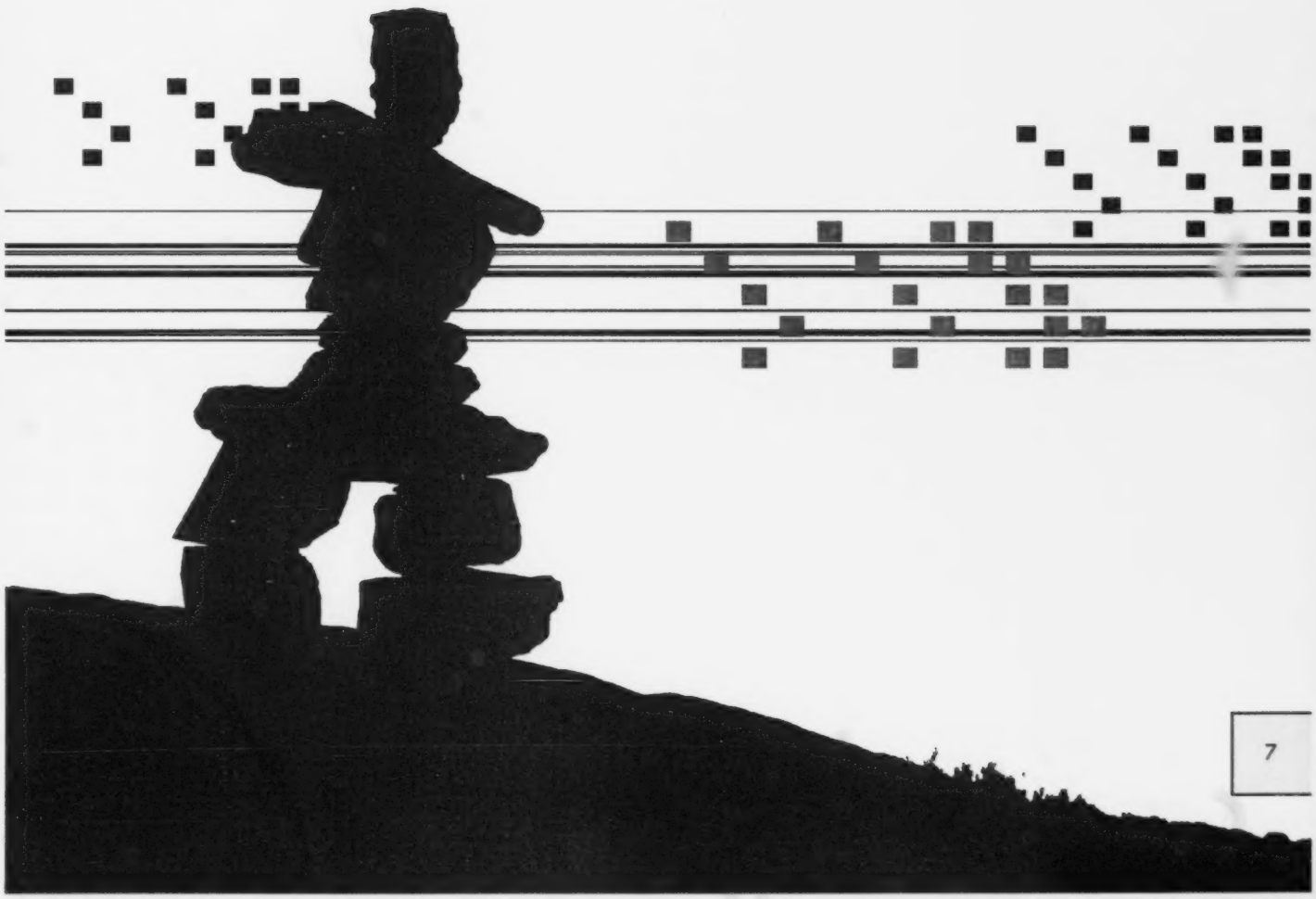
The Governance Council has the authority and mandate to:

- establish policies for the implementation of the Workers' Compensation Acts;
- review and approve the programs and operating policies of the Board;
- establish annual operating and capital budgets;
- ensure proper stewardship of the Accident Fund; and
- enact by-laws and pass resolutions for the conduct of the business and affairs of the Board and the Governance Council.

In fulfilling the obligation to provide effective oversight, the Governance Council will provide overall direction and monitor the following areas of accountability:

- setting the strategic direction;
- the development and monitoring of oversight and operating policies;
- succession planning;
- financial oversight and stewardship;
- performance management;
- risk identification and management;
- review and approval of material transaction;
- communication with key stakeholders; and
- governance oversight.

Core Business



CORE BUSINESS

President's Office

The President is responsible for the WCB's operations and administration to the Governance Council, the Ministers responsible, and the public.

President's Office

- Responsible for effective planning, management, and delivery of Governance Council direction, as well as generating and communicating the long-term strategic direction of the WCB.
- Develops and leads the management team while steering organization improvements.

Communications and Information

- Responsible for maintaining internal and external communication, producing marketing material, and handling public/media relations.
- Researches, compiles, analyzes, and interprets statistical information.
- Provides translation services and monitors compliance with Official Languages Regulations.

Medical Services

- Advises WCB staff on medical matters related to claim adjudication and review processes, examines workers to determine diagnosis, fitness, and permanent medical injuries.
- Acts as a liaison to external health care providers, and assists with policy and program development.

Legal Services

The Corporate Secretary/General Counsel is the WCB senior legal officer and is responsible for board governance and internal monitoring. The division is responsible for legal support, policy development, audit and investigations, and first level review of decisions on appeals.

Legal

- Provides the WCB with a full range of services, from legal opinions to third party lawsuits.
- The integrity of the WCB Accident Fund is protected by the Investigations Coordinator by targeting abuses of the system with innovative prevention techniques and by recommending fraud detection systems to management.
- The Internal Auditor evaluates internal controls and ensures compliance with policies and procedures through consultation with staff, the Governance Council, and external stakeholders.

Policy, Planning, and Evaluation

- Develops policy and coordinates policy development in consultation with the Governance Council, internal staff, and external stakeholders.
- Organizes and coordinates the Performance Measurement Program and Process Evaluation.

Review Committee

- Provides claimants and employers with their first level of appeal on decisions made by the WCB.

Corporate Services

The Director, Corporate Services, is the Chief Financial Officer for the WCB. The division is responsible for coordinating assessment rate setting and providing most support services to the organization.

Finance/Comptrollership

- Responsible for financial reporting, payment processing, budget development and monitoring, collections, and payroll.

Treasury

- Responsible for day to day cash management and ensuring that the Board's investments are accurately reported and accounted for.

Materials Management

- Responsible for the provision of space, equipment, and materials for the WCB. Responsibilities also include contract administration, leases, and security for all offices.

Human Resources

- Provides human resource services to managers in the areas of recruitment, labour relations, job evaluation, and human resource planning and development, as well as provides the Board and employees with benefits counseling and information.

Information Services

- Manages relationships with external service providers, maintains and develops the WCB's computer systems, and assists all division with records management.

Northwest Territories and Nunavut Operations

Front line services and operations are directed by the Vice Presidents in each jurisdiction.

Nunavut Operations is a full service branch of the WCB similar to Northwest Territories (NWT) Operations, with the exception of Pensions, Employer Payroll Audit, and Mine Inspections, which are provided by NWT Operations.

Claims Services

- Responsible for providing benefits to injured workers, those suffering from occupational diseases, and dependants of workers who died from workplace injuries or illnesses.
- Provides workers with a temporary wage replacement while they recover and assists in their return to work.

Employer Services

- Registers and classifies employer businesses in the Northwest Territories and Nunavut by industry type.
- Responsible for assessing employer contributions to the WCB Accident Fund based on their industry classifications and payrolls.

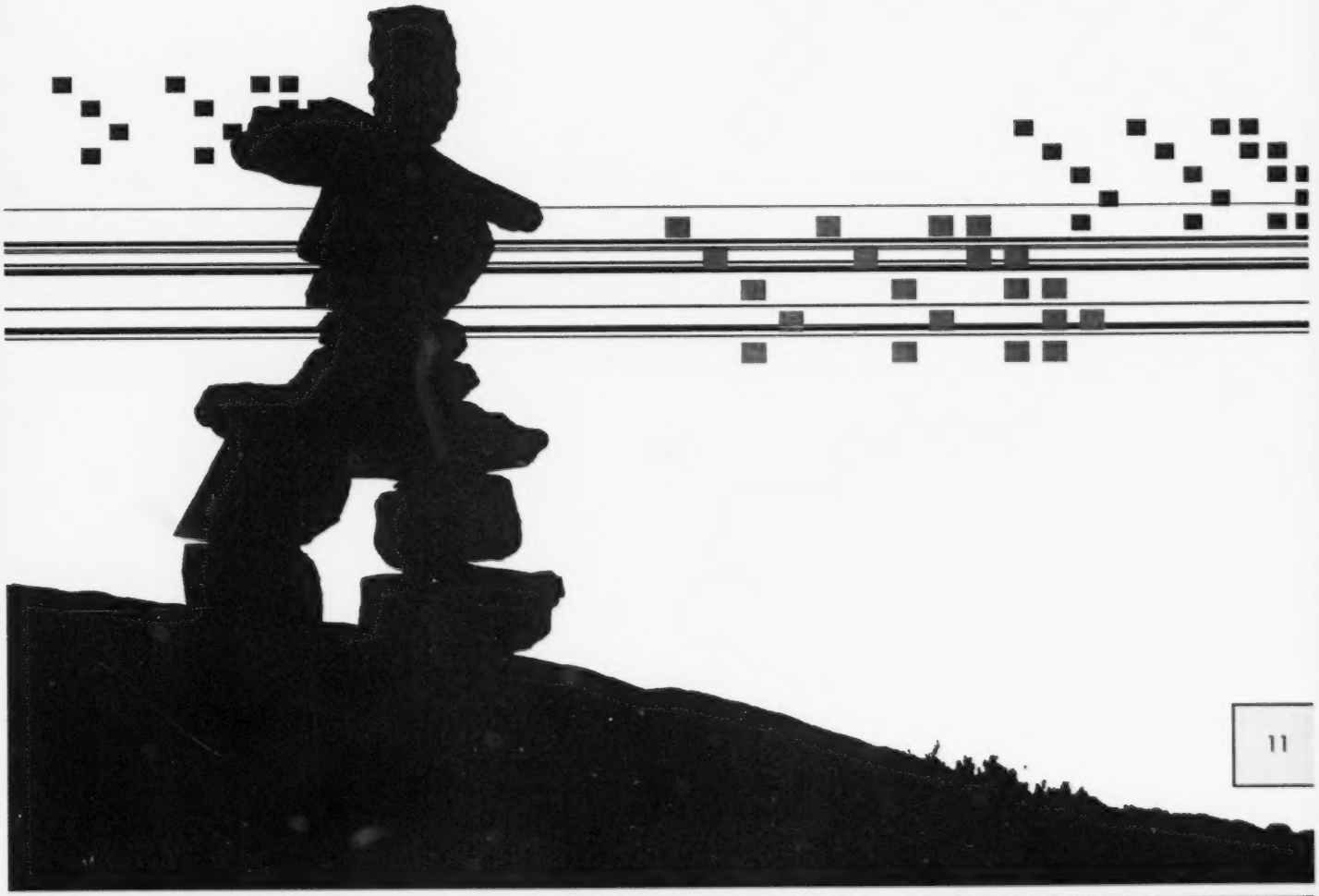
Industrial Safety

- Responsible for working with employers to educate them about safety standards and practices, and their obligations to comply with Acts and Regulations.
- Inspects workplaces and enforces the Safety Acts and General Safety Regulations of the Northwest Territories and Nunavut.

Mine Safety

- Responsible for administering the Mine Health and Safety Acts.
- Conducts inspections, and investigates incidents, serious accidents, and fatalities.
- Certifies mine employees and equipment operators, issues permits for use of mine equipment and explosives, and ensures training programs, facilities, and emergency plans are acceptable.

On the Horizon



ON THE HORIZON

Mega-Projects

The Governance Council approved an initiative that will allow the WCB to identify Mega-Projects that may be a risk to the Accident Fund because of their sizes and durations. The initiative also includes a mandate to negotiate with the project development company leading the Mega-Project to enter into special financial arrangements that will ensure the claims costs associated with the project are completely covered by the development company.

In support of this initiative, a special Mega-Project Assessment Rates policy was implemented in September 2005 for major employers operating in the North for relatively short periods of time, to protect long-term employers from the impact of possible spikes in injury rates and claims costs. With the prospective construction of the Mackenzie Valley Pipeline, the WCB has entered into negotiations for suitable financial arrangements with the project development company.

There is a possible influx of several thousand workers for a two to three-year construction period which may result in strain on existing WCB staff and safety inspection resources.

In Nunavut, employment in the resource sector declined with the closure of three mines. However, outlays for mineral exploration continue and four new mining projects are scheduled for development. Approximately 1500 new mine-related jobs may be created in the next 10 years.

Employment rates in the NWT exceed the national average, due largely to continued resource development. The Mackenzie Gas Project is among the development initiatives, in addition to diamond mining, hydro development, and oil and gas exploration. Cumulative impacts are expected to peak, pending approval of the pipeline project, with an estimated 8,000 additional jobs in 2009.

Safety Awareness

The estimated influx of workers and high employment rates emphasize the importance of the WCB's increasing motivation for employers to take workplace safety seriously and to assume the responsibility for training and educating workers. The impending Safe Advantage program is just one program that will increase the focus on the adoption of safe workplaces in both territories. Several other campaigns have been undertaken by the WCB to enhance safety awareness in the workplace:

1. Go Safe:

The Go Safe program is a tool kit for small employers which will enable them to start an Occupational Health and Safety program for their companies. This program will be rolled out to employers in the construction industry beginning in July 2007.

2. Safe Advantage:

The Safe Advantage program focuses on safe workplaces and return to work initiatives for both employers and workers. This merit/demerit program rewards employers for good safety records and programs, and penalizes employers whose safety practices and records are deficient.

3. Northern Construction Safety Association (NCSA):

The WCB and the NCSA agreed to partner in a three-year pilot project in January 2007. This project is aimed at reducing workplace injuries by showing employers how to properly manage their safety and health risks.

4. Social Marketing Campaign:

Posters have been developed to address issues of unsafe work practices. TV commercials that highlight the same aspects of unsafe work practices were completed and released in early January 2007 on Northern TV stations. The Social Marketing Campaign is attempting to explain the true cost of injury, and will continue to be a focus for 2007.

5. Safety Magazine:

Currently, *Reflections*, the WCB safety magazine is published once a year. Commencing in 2007, it will be published twice a year to provide stakeholders with an up to date picture of the WCB and safety initiatives.

Customer Service

With our commitment to be a model and trusted partner in workplace safety, the WCB is dedicated to ensuring the needs of workers, employers, and stakeholders are met with care and efficiency. The WCB will look to both internal and external practices to improve our customer service. The following 2007 programs and projects will reinforce our goal to provide timely, professional, and client-focused services:

1. Legislation:

The Phase II Legislative Amendments will be completed with the introduction of new workers' compensation legislation in 2007 in both territories. With an ultimate goal of ensuring safe workplaces and practices, the legislation has been completely rewritten in clear language and in a more user-friendly sequence.

2. Human Resources Plan:

Ongoing implementation of the Human Resources Plan will achieve the goal of well-trained, safety conscious staff working at their potential and providing excellent services to our clients. The implementation of a competency-based performance tool used in recruitment, orientation, training, performance management, and succession planning has been completed. 2007 will see the expansion of the competency model in training and development of individual action plans, and the roll-out of a Health, Wellness and Safety initiative.

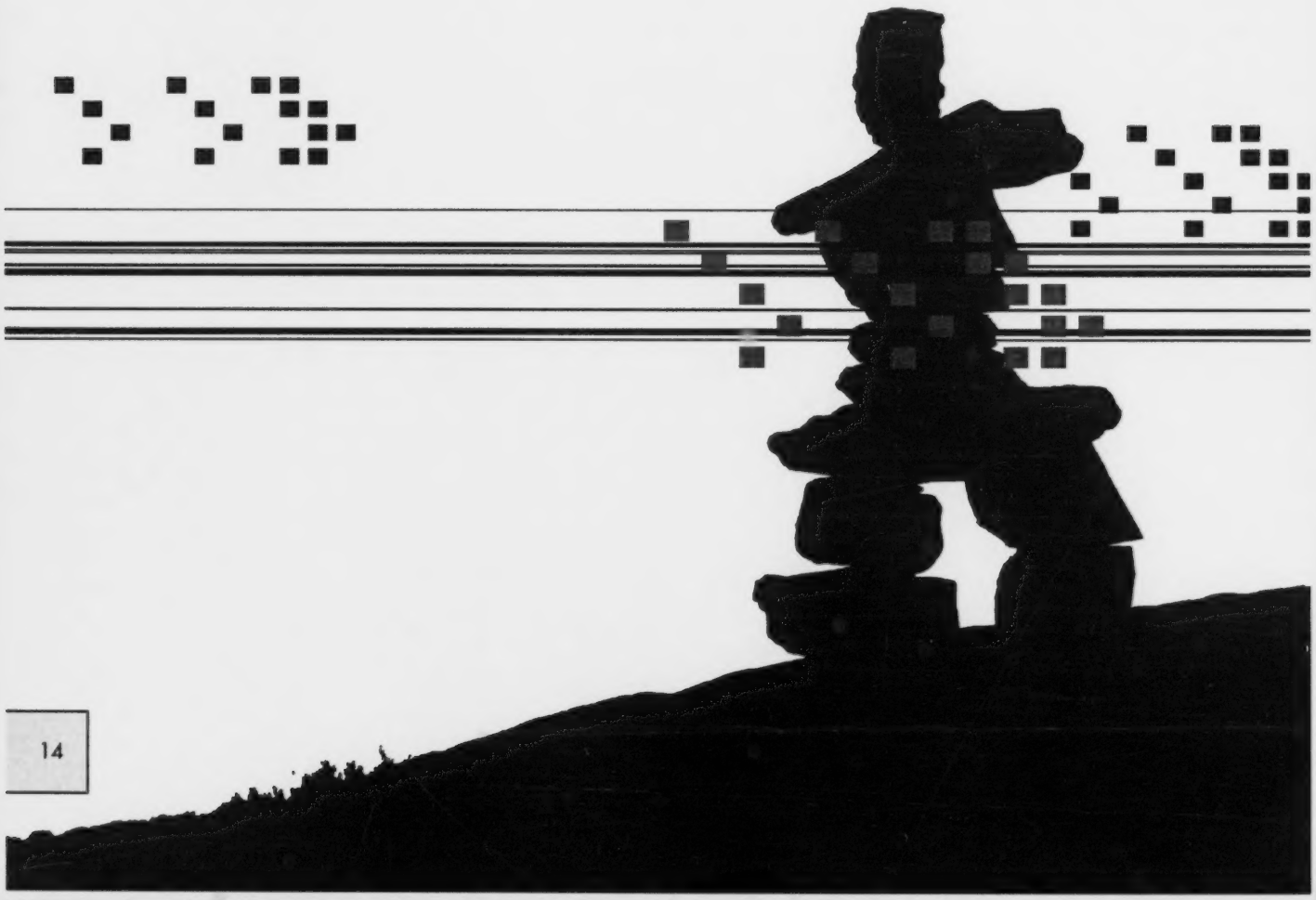
3. CAAPS:

Implementation of the WCB's new processing system, Compensation, Assessment & Pensions System (CAAPS), was completed early in the first quarter of 2007. CAAPS is an integrated Assessment, Claims, and Prevention system built on a .Net platform that will allow the WCB to meet future needs, including E-business.

4. Comprehensive Risk Management Framework:

The need for a Risk Management Framework was identified by the Office of the Auditor General during the special Performance Audit completed in 2006. In early 2007, the WCB will be developing a framework that will identify and quantify risks to the organization. The Governance Council will incorporate this into its corporate planning for 2008 and future years.

Strategic Priorities



STRATEGIC PRIORITIES

The WCB's strategic priorities and goals stem from its mission, vision, and values. From each specific priority, a number of goals are established; these form the basis of the Governance Council Balanced Scorecard. Performance measures and targets flow from each goal and provide a method to measure performance.

The Governance Council's strategic priorities for 2007 are:

- To reduce workplace injuries and occupational disease in the Northwest Territories and Nunavut;
- To meet the needs of workers and employers without compromising WCB financial sustainability;
- An efficient and adaptive organization; and
- A proactive, efficient, and responsible Governance Council that is diverse in its representation and aggressive in its policy-making decisions and monitoring, and accountability.

2007 goals:

1. Well-trained, safety conscious workers through an injury prevention culture;
2. Healthy and safe workplaces in the NWT and Nunavut;
3. Stewardship of the Accident Fund and accountability for revenues and expenses;
4. Benefits provided are fair to workers and affordable to employers;
5. Timely, professional, and client-focused services delivered by competent and capable people;
6. Modern, effective, and comprehensive legislation and related policies;
7. Positive WCB reputation and brand recognition;
8. Highly capable and informed directors; and
9. Meet Governance Council transparency requirements.

2007 Governance Council Balanced Scorecard

Mission

To promote workplace safety and care for injured workers.

Vision

To be recognized as a caring, efficient, and service-focused organization and a model and trusted partner in workplace safety.

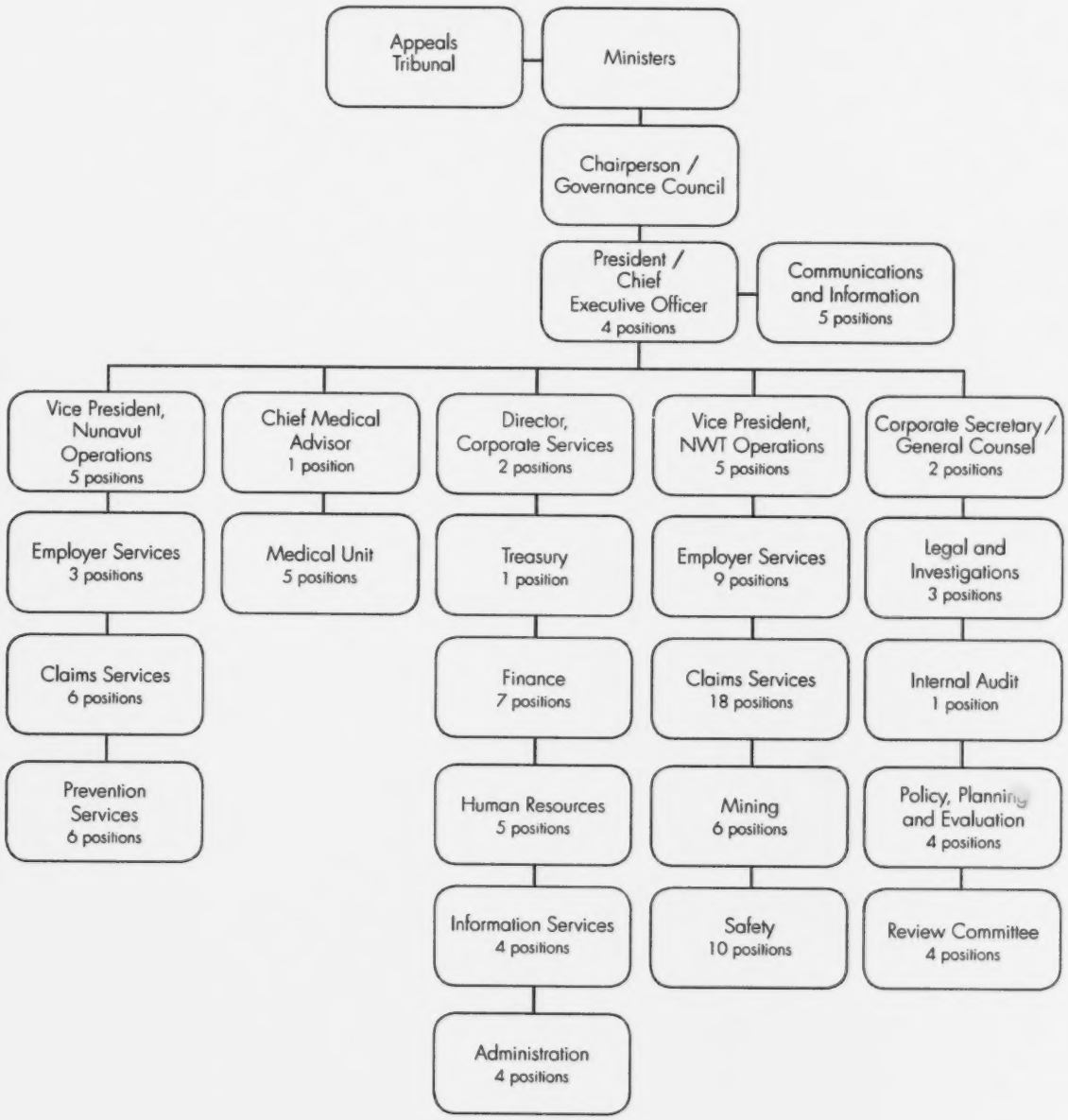
	Priorities:	Goals:
Customer	• Reduced workplace injuries and occupational disease in the Northwest Territories and Nunavut	1. Well-trained, safety conscious workers through an injury prevention culture
		2. Healthy and safe workplaces in the NWT and Nunavut
Financial Results	• Needs of workers and employers are met without compromising WCB financial sustainability	3. Stewardship of the Accident Fund and accountability for revenues and expenses
		4. Benefits provided are fair to workers and affordable to employers
Organizational Excellence	• An efficient and adaptive organization	5. Timely, professional, and client-focused services delivered by competent and capable people
		6. Modern, effective, and comprehensive legislation and related policies
		7. Positive WCB reputation and brand recognition
Governance	• A proactive, efficient, and responsible Governance Council that is diverse in its representation and aggressive in its policy-making decisions and monitoring, and accountability	8. Highly capable and informed directors 9. Meet Governance Council transparency requirements

The Balanced Scorecard is a performance measurement tool used by the WCB to provide a comprehensive picture of its performance.

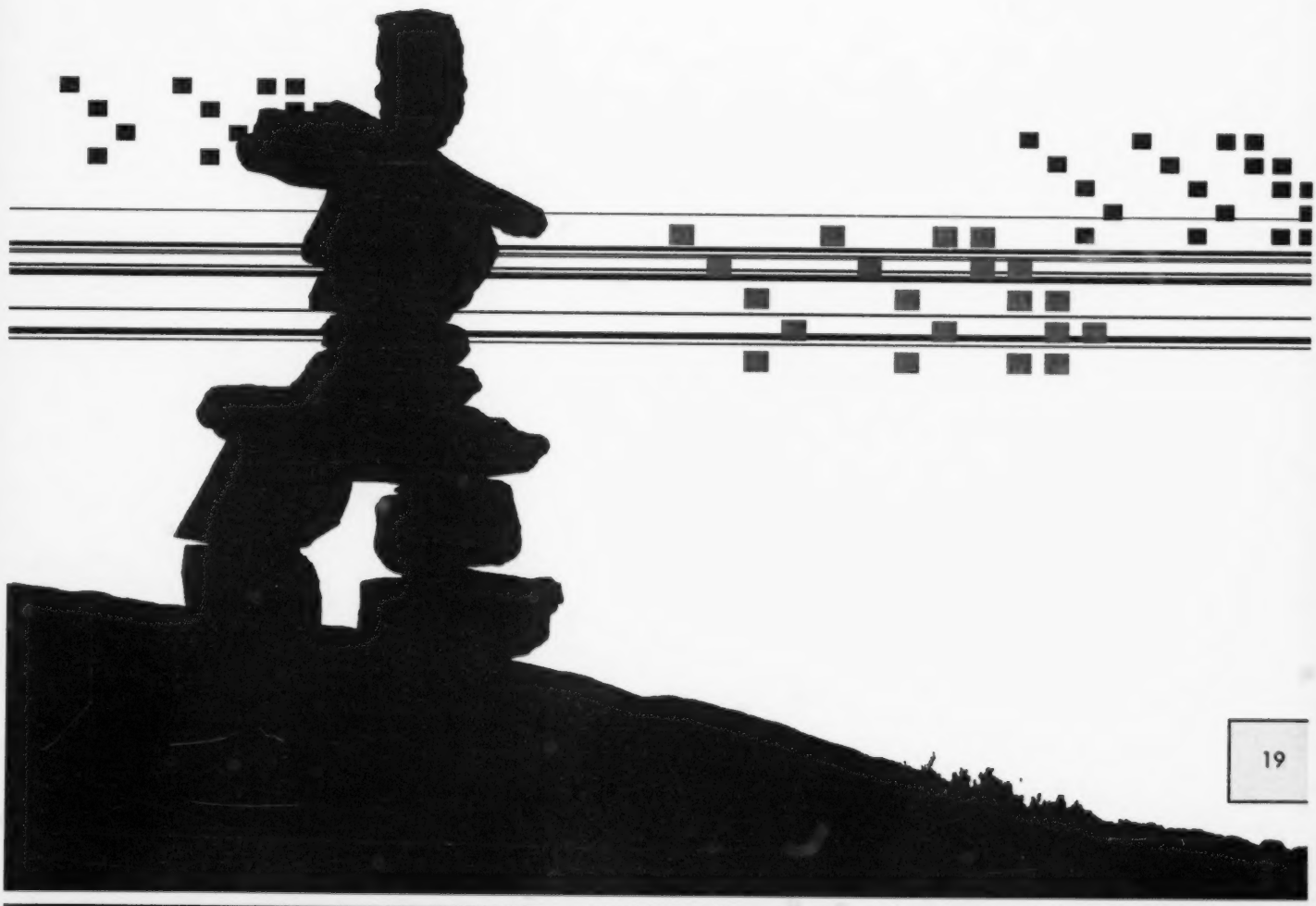
The Balanced Scorecard focuses on four main areas of performance: customer, financial results, organizational excellence, and governance.

Performance Measures:	Targets:
• 5-year lost time injury frequency analysis by territory	Downward trend
• 5-year time loss trend analysis by industry class	80% stable or decreasing with a 5% variance per year
• Evaluation and/or survey of targeted employers within 3-5 years	Safe Advantage successfully implemented for targeted employers. First merit payments and demerit warnings issued
• Average assessment rate per $100 payroll	No increase over two years 2006-2007
• Annual administrative costs per $100 payroll	Stable or decreasing with 5% variance per year
• Current year benefits costs per $100 payroll	Stable or decreasing with 5% variance per year
• Description of WCB benefits offered and relative to other jurisdictions	Relative equity as per AWCBC comparison
• Reports to stakeholders and associations	Governance Council holds two annual meetings, one in each territory
• Percentage of claims upheld or overturned through the appeals process	Stable or decreasing over 3 year average
• Health, Safety, and Wellness Plan	Phased implementation from 2006-2009
• Client satisfaction	Increase on stakeholder surveys
• Average claims duration	Below average as per AWCBC comparison
• Progress through the Policy Review Plan	All policies reviewed within 3 years with consultation as required
• Communication with internal and external stakeholders	As per strategic communications plan
• Governmental relations	Improved relations
• Follow up on 2006 OAG special performance audit recommendations on governance	Implementation by end of 2007
• Corporate Plan and Annual Report	Meet legal requirements
• Individual Director and full Governance Council self-assessments	Refinement of assessment tool by end of 2006

ACCOUNTABILITY STRUCTURE



Financial Overview



FINANCIAL OVERVIEW

Statement of Operations - 2007

Projected Statement of Operations

for the year ending December 31 (in thousands of dollars)

	2005 Actual $	2006 Budget $	2006 Forecast $	2007 Budget $
Revenue				
Assessments	34,129	31,073	32,762	29,010
Investments	27,541	14,931	15,590	16,796
Other	2,862	1,000	1,000	1,000
	64,532	47,004	49,352	46,806
Expenses				
Claims	18,786	27,806	20,248	33,456
Add: Claims management expense	3,845	4,741	4,260	4,861
Subtotal	22,631	32,547	24,508	38,317
Administration & general expenses	19,850	21,595	21,258	22,665
Less: Allocation to claims	3,845	4,741	4,260	4,861
Subtotal	16,005	16,854	16,998	17,804
	38,636	49,401	41,506	56,121
Gain / loss from operations	25,896	-2,397	7,846	-9,315

transition in progress

FINANCIAL OVERVIEW

Statement of Reserves - 2007

Projected Statement of Reserves

for the year ending December 31 (in thousands of dollars)

	2005 Actual $	2006 Budget $	2006 Projection $	2007 Budget $
Operating Reserve				
Balance, beginning of year	12,342	25,693	13,252	10,700
Change in Accounting Policy				
Net income (loss) for the year	25,896	-2,397	7,846	-9,315
Transfer from (to) Rate stability reserve	-14,000	-13,000	-7,000	5,000
Transfer to Investment fluctuation reserve	-13,586		-6,521	
Transfer from Investment fluctuation reserve	2,900		3,397	4,530
Transfer from Safety Reserve		178	26	152
Transfer to Catastrophe reserve	-300	0	-300	0
Balance, end of year	13,252	10,474	10,700	11,067
Investment fluctuation reserve				
Balance, beginning of year	11,600	0	22,286	25,410
Transfer from Operating reserve	13,586	0	6,521	
Transfer to Operating reserve	-2,900	0	-3,397	-4,530
Balance, end of year	22,286	0	25,410	20,880
Rate stability reserve				
Balance, beginning of year	14,000	14,000	27,000	34,000
Transfer (to) from Operating reserve	14,000	13,000	7,000	-5,000
Balance, end of year	28,000	27,000	34,000	29,000

FINANCIAL OVERVIEW

Statement of Reserves - 2007 continued

Projected Statement of Reserves

for the year ending December 31 (in thousands of dollars)

	2005 Actual $	2006 Budget $	2006 Projection $	2007 Budget $
Safety reserve				
Balance, beginning of year	178	178	178	152
Transfer to Operating reserve	0	-178	-26	-152
Balance, end of year	178	0	152	0
Catastrophe reserve				
Balance, beginning of year	19,950	19,950	20,250	20,550
Transfer from Operating reserve	300	0	300	0
Balance, end of year	20,250	19,950	20,550	20,550

transition in progress

FINANCIAL OVERVIEW

2007 Budget Requests

Schedule of Administration and General Expenditures - All Divisions

for year ending December 31

	2005 Actual	2006 Budget	2006 Projection	2007 Budget Requests
Corporate Services	7,286,063	7,119,016	7,299,158	7,571,590
NWT Operations	4,039,827	4,745,457	4,400,977	4,930,858
Nunavut Operations	2,633,176	3,044,379	2,943,774	3,044,351
Legal	1,116,852	1,196,360	1,292,497	1,365,515
PPAC	114,680			
Medical	799,290	842,814	845,463	836,978
President	949,495	1,246,058	1,173,328	1,282,361
Subtotal	**16,939,383**	**18,194,085**	**17,955,197**	**19,031,653**
Governance Council	364,634	506,728	435,141	523,159
Appeals Tribunal	306,597	441,992	385,004	548,160
Worker Advisor	143,580	184,425	154,425	184,425
Overhead	2,095,806	2,267,801	2,317,801	2,367,801
Total	**19,850,000**	**21,595,030**	**21,247,568**	**22,655,198**

FINANCIAL OVERVIEW

2007 Capital Budget Summary

Schedule of Capital Asset Acquisitions - Summary

for year ending December 31

Capital Classification	2006 Carryforward	2007 New	2007 Proposed	2008 Ongoing
New Facility (CC 51)	11,985,439		11,985,439	2,113,992
Furniture (CC 55)	16,125	157,000	173,125	
Equipment (CC 56)	419,781	370,500	790,281	50,000
Leasehold Improvements (CC 57)	50,000	580,000	630,000	
Computer Systems Development (CC 58)	472,818	500,000	972,818	258,000
Total	**12,944,163**	**1,607,500**	**14,551,663**	**2,421,992**